

SUBCOMMITTEE NO. 4

Agenda

Mark DeSaulnier, Chair
Tom Harman
Gloria Negrete McLeod
Roderick Wright



Agenda – Part “A”

Hearing Outcomes

Note: Senators in attendance were DeSaulnier, Negrete McLeod, and Wright – all 3-0 votes reflect the votes of those Senators

**Thursday, April 23, 2009
9:30 a.m. or upon adjournment of session
Room 112**

Consultant: Brian Annis

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Note on the 2009-10 Budget Process: On February 19, the Legislature approved the 2009 Budget Act (SB 1XXX). However, certain items were withheld from the budget, without prejudice, pending a more thorough discussion in the budget subcommittees. Items withheld generally met one or more of the following criteria: (1) were rejected in a prior budget year; (2) have substantial policy implications – for example, information technology of the state's bond capacity; or (3) represent a new program or expansion. Additionally, there are numerous pieces of trailer bill language proposed by the Administration that were not adopted and that require further consideration. The issues in this agenda are these aforementioned issues, April Finance Letters, and other issues of interest to the Subcommittee.

Proposed Consent Calendar

9840 Augmentations for Contingencies or Emergencies

This budget item provides additional expenditure authority to be used to supplement departments' appropriations that are insufficient due to unanticipated expenses or emergency situations. There are three separate appropriations, one for each fund type – General Fund (proposed at \$44.1 million), special funds (\$15.0 million), and other unallocated non-governmental cost funds (\$15.0 million). No department augmentation can be made until 30 days after notification in writing to the Joint Legislative Budget Committee. Identical funding was approved by the Legislature with the 2008 Budget Act.

The Administration requests a technical change to budget bill language. The Administration requests the below change to Provision 7 of Item 9840-001-0001. This change is requested to clarify limits on use of this authority to the appropriation amount, instead of the amount sub-scheduled within the item. This revised language was developed in consultation with the Legislative Analyst and Legislative Staff, and no concerns have been raised.

7. For any transfer of funds pursuant to this item, the augmentation of a General Fund item of appropriation made by this act shall not exceed the following during any fiscal year:
- (a) 30 percent of the amount ~~scheduled, for those scheduled amounts~~ appropriated, for those appropriations made by this act that are \$4,000,000 or less.
 - (b) 20 percent of the amount ~~scheduled, for those scheduled amounts~~ appropriated, for those appropriations made by this act that are more than \$4,000,000.

0950 State Treasurer

The State Treasurer's Office (STO), a constitutionally established office, provides banking services for state government with goals to minimize interest and service costs and to maximize yield on investments. The Treasurer is responsible for the custody of all monies and securities belonging to or held in trust by the state; investment of temporarily idle state monies; administration of the sale of state bonds, their redemption and interest payments; and payment of warrants drawn by the State Controller and other state agencies. The 2009 Budget Act (SB 1XXX) included \$5.1 million General Fund for the Treasurer. However the Governor vetoed this amount down to \$4.5 million citing the Executive Order to furlough state employees for budget savings.

The Administration requests a technical change to correct the allocation of the veto among fund sources (April 1 FL). This change is net-zero overall – it generally shifts some of the reduction from General Fund to reimbursements to correctly budget the furlough-related veto allocation.

Staff Recommendation: Approve these technical adjustments on the Consent Calendar.

Action: Approved consent issues on a 3-0 vote.

0520 Secretary for Business, Transportation and Housing

The Secretary of the Business, Transportation and Housing Agency (BT&H Agency) is a member of the Governor's Cabinet and oversees 16 departments, including the following large departments:

- Alcoholic Beverage Control
- Corporations
- Housing and Community Development
- California Highway Patrol
- Motor Vehicles
- Financial Institutions
- Real Estate
- Managed Health Care
- Transportation

In addition, the Secretary's Office oversees programs, including the following, which are budgeted directly in the Secretary's Office:

- Infrastructure and Economic Development Bank
- Film Commission
- Small Business Loan Guarantee Program
- Tourism Commission

The Governor proposes total expenditures of \$20.9 million (\$5.5 million General Fund) and 65.4 positions for the Office of the Secretary – a decrease of \$940,000 and an increase of 2.0 new positions. The adopted 2009 Budget Act is consistent with the Governor's proposed budget, except the \$221,000 Infrastructure Bank staff request (Budget Change Proposal (BCP) #2) was deleted from the budget without prejudice to allow for further review in the subcommittee.

Discussion / Vote Issues:

1. **Infrastructure Bank: Staffing Augmentation (BCP #2).** The Administration requests an augmentation of \$221,000 (special fund) and 2.0 Loan Officer positions for workload related to the monitoring of bond and loan proceeds. Base staffing is 25.0 positions. The Infrastructure Bank (I-Bank) provides financial assistance to local governmental entities, as well as non-profits and small-to-medium manufacturing companies, through a variety of financial instruments. Funding for this proposal was withheld from the 2009 Budget Act (SB 1XXX) without prejudice for a more thorough subcommittee review. It was excluded because the request relates to positions rejected by the Legislature last year.

Detail on last year's budget action: Last year, the Administration requested an augmentation of \$665,000 (special fund) and 7.0 positions for workload, administrative oversight, monitoring of bond and loan proceeds, and marketing. The LAO had reviewed the I-Bank operation in the fall of 2007 and recommended that only 5.0 positions be added – the Legislature adopted this LAO recommendation (reducing the Administration's request by 2.0 positions).

I-Bank Financing: The core program of the I-Bank is the Infrastructure State Revolving Fund Program, which helps finance local public infrastructure. Initial funding of about \$182 million came from the General Fund in 1998-99 and 1999-

2000. Since then, the I-Bank has issued \$153 million in revenue bonds to expand the program. The Administration indicates that workload grows as the cumulative amount of outstanding loans grows. In addition to the revolving loan program, the I-Bank administers various tax-exempt bond programs for small-to-medium sized manufacturing companies and non-profits, for which the state incurs no liability.

Staff Comment: The Administration's workload justification for the augmentation appears unchanged from last year's request, and staff understands the LAO recommendation (to reject establishment of these two positions) is also unchanged.

Staff Recommendation: Reject this request.

Action: *Rejected proposal on a 3-0 vote.*

2. **California Film Commission: Staffing for new tax credit (April FL #1).** The Administration requests an augmentation of \$644,000 (General Fund) and 5.0 positions (1.0 limited term) to administer the new film tax credit program created by SB 15XXX. The new film credit is a five-year program with credits capped at \$100 million per year and is intended to retain film production in California and attract new film work to the state. Ten percent of the credits are reserved for independent films. The California Film Commission (CFC) will: (1) adopt regulations; (2) award credit allocations to qualifying productions; and (3) issue a credit certificate to the qualifying taxpayer at the end of production. Taxpayers would then use their credits on their tax return filed with the Franchise Tax Board (FTB). (Note: the FTB also has a budget requests related to the Film Credit and that department will be heard in Subcommittee #5 on May 7).

Staff Comment: Since release of the April Finance Letter, the Film Commission has worked with the LAO and legislative staff to refine their proposal. There is workload associated with the new film credit, and the Commission should be provided sufficient staff to fairly and efficiently implement the program. However, the Film Commission is a General Fund entity and new expenditures should be minimized. After reexamining the funding need, the Administration now believes it could successfully implement the program with \$417,000 (General Fund) and 3.5 positions (0.5 limited term) – this would be a reduction of \$227,000 from the original proposal. The savings is both related to position savings and a lower estimate of information technology costs.

Staff Recommendation: Keep issue open. The Senate Budget Consultant responsible for the Film Commission budget is also responsible for the FTB budget – direct staff to continue to work with both the Film Commission and the FTB to make sure the implementation is coordinated between the agencies and funding and staffing is set at appropriate levels.

Action: *Held issue open – the Film Commission will continue to work with LAO and staff on funding justification, reporting, etc.*

3. Chrome Plating Pollution Prevention Fund Sweep to General Fund: (April FL).

The Administration requests statutory language to abolish the Chrome Plating Pollution Prevention Program and sweep the \$3.6 million in special fund balances to the General Fund. The special fund money originally came from the General Fund, so it can constitutionally be transferred.

Background on Program: The Chrome Plating Pollution Prevention Program was established by AB 721 (Chapter 695, Statutes of 2005, Nunez). The program was established at the BT&H Agency as a loan guarantee program. The program was funded from the amount remaining in the Hazardous Waste Reduction Loan Account – this account contained funds derived from the General Fund, for a program that had become defunct. According to the analysis of AB 721, the overall goal of the bill is to encourage chrome platers to upgrade their facilities and, indeed, go beyond the minimum necessary for compliance.

Status of the Program: The BT&H Agency indicates that no applications have been received for a loan guarantee under this program. The Chrome Plating Pollution Prevention Fund currently has a balance of \$3.6 million. There is also one active loan of \$127,000 in the defunct Hazardous Waste Reduction Loan Program that should eventually be repaid to the Chrome Plating Pollution Prevention Fund (or the General Fund under the Administration proposal). The BT&H Agency indicates that a new Air Resources Board hexavalent chrome rule comes into effect October 2009. The new rule could spur some interest in the loan-guarantee program. Under current law, the program sunsets on January 1, 2012.

Staff Comment: The fund sweep and program elimination proposal were not part of the Governor's special session proposals, so the April Finance Letter is the first time this budget reduction option has been presented. The BT&H Agency should be prepared to discuss why the program has not had any applicants, and what the future prospects might be for utilization of the program. If the May Revision revenue forecast suggests additional budget reductions are necessary, the subcommittee could consider this proposal, or a modified proposal to shift a portion of the special fund balance, but maintain some funding for a continuing program. If no applications are approved through June 2012, the program would be abolished at that time and the funds could then be returned to the General Fund.

Staff Recommendation: Take no action on this proposal. This issue can be revisited after the May Revision as warranted.

<i>Action: No action taken – this proposal may be revisited after the May Revision at the discretion of the Subcommittee.</i>
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2400 Department of Managed Health Care

The Department of Managed Health Care (DMHC) was established in 2000, when the licensure and regulation of the managed health care industry was removed from the Department of Corporations and placed in a new, stand-alone, department. The mission of DMHC is to regulate, and provide quality-of-care and fiscal oversight for Health Maintenance Organizations (HMOs) and two Preferred Provider Organizations (PPOs). These 94 Health Care Plans provide health insurance coverage to approximately 64 percent of all Californians. Recent statutory changes also make DMHC responsible for the oversight of 240 Risk Bearing Organizations (RBOs), who actually deliver or manage a large proportion of the health care services provided to consumers. Within the department, the Office of the Patient Advocate helps educate consumers about their HMO rights and responsibilities.

The Governor proposes \$47.8 million (no General Fund) in total expenditures and 320.0 positions for the department – an increase of \$3.4 million and 20.9 positions. The cost of the DMHC is funded through fees charged to health plans. The adopted 2009 Budget Act is consistent with the Governor's proposed budget.

Issue for Discussion:

- 1. Regulatory Work of DMHC (Informational Issue).** Statute requires DMHC to adopt regulations, as necessary, to carry out its responsibilities. In many cases, these regulations have a significant impact on the industry and the 22 million Californians who belong to HMOs. While the policy issues behind the regulatory work are primarily under the purview of the Health Committee, changes in regulation is one driver of workload which affects the budget.

Recently-Concluded Regulations: The regulatory process recently concluded for the following issues:

- **Balance Billing.** On October 15, 2008, regulations went into effect that banned the practice of balance billing. Balance billing was the practice that happened most often in emergency care situations, when a doctor or hospital was not contracted with the patient's health plan. Health plans by law must pay only the reasonable and customary value of those services – often less than the provider's billed charge. In the past, it was not uncommon for the patient to be billed for the difference, or "balance billed" – putting the consumer in the middle of what was essentially a dispute between providers and health plans.

Currently-Open Regulations: The regulatory process is still open for the following issues:

- **Discount Health Plans.** The DMHC indicates the draft regulation is in the final stages of development. Discount health plans promise that, for a prepaid fee (which is typically much less than health insurance), they will

arrange for the enrollee to obtain a discount on health care services. The DMHC has received complaints from some consumers that the discount plans are marketed as health insurance, even though they require consumers to incur the full financial risk for a provider's charges, with the promise that the bill will be discounted. The regulations are intended to improve disclosure of what the plans actually do, and to provide a process for verification that the promised discounts are delivered.

- **Timely Access to Care.** AB 2179 (Chapter 797, Statutes of 2002, Cohn) requires that enrollees have access to needed health care services in a timely manner, and directs DMHC to adopt implementing regulations. The comment period for this regulation ended on February 23, 2009. Adoption of regulations has been delayed several times – most recently when the Office of Administrative Law (OAL) disapproved the last rulemaking action on March 3, 2008, indicating the DMHC had significant changes in the final language that required a new notice of rulemaking action. The proposed regulations would set some specific timelines for care – for example, non-urgent appointment for primary care should occur within ten business days of the request, as specified.

Possible Future Regulations: Additional issues have surfaced in recent times that may result in future regulatory action by DMHC:

- **Autism Spectrum Disorders.** The DMHC recently sent a letter to insurers indicating that state mental-health parity laws require plans to cover speech, physical, and occupational therapies for their autistic members. However, the DMHC excluded behavior therapies from the requirement. Future regulations may clarify and make specific the requirements of the mental health parity statute as applied to the diagnosis and treatment of Autism Spectrum Disorder.
- **Cancellation of Enrollment.** If a subscriber group fails to pay premiums, a health plan may cancel the contract retroactive to the first missed payment. This can cause a problem for a patient if an expense is incurred between the missed premium and notice of cancellation – because the patient may not be aware of the missed premium. Future regulations may clarify rights and responsibilities related to nonpayment of premiums and terminated coverage.
- **Post-Claims Underwriting.** Health plans require an applicant to submit a questionnaire regarding the applicant's health history. If a future medical visit or procedure reveals a mistake or omission on the questionnaire, the health plan may rescind the individual's coverage, even if the enrollee has already received a healthcare service. However, a plan is prohibited from engaging in post-claims underwriting (rescinding healthcare because an individual is consuming healthcare services). Future regulations may address consumer protection concerns by clarifying when a health plan can rescind coverage based on incomplete and inaccurate coverage applications.

Staff Comment: The DMHC should briefly walk the Subcommittee through the regulatory issues outlined in this agenda, and discuss the impacts on workload and future budgets.

Staff Recommendation: This is an informational issue – no action necessary.

Action: No action taken – informational issue.

Local Government Funding Items – Informational Issue

Background on Local Government Budget Items. Committee staff has received several public inquiries since the 2009 Budget Act was approved on the effect of the budget on local governments. Local government is a partner with the State government in various areas and “local assistance” funding is a component of many departments’ budgets. According to the Department of Finance, the total General Fund local assistance funding in the revised 2008-09 budget and in the adopted 2009 Budget Act is \$69.1 billion and \$74.9 billion respectively (out of the total General Fund budget of \$94.1 billion and \$92.2 billion respectively). While local funding is spread throughout the budget, there are four budget items where local assistance is specifically funded, and those items are under the purview of Subcommittee #4. They are as follows:

8885 Commission on State Mandates – this budget item funds reimbursement for local’s costs of State mandates. Proposition 1A of 2004 amended the California Constitution to require that the State pay mandate costs in a timely manner (as implemented, local costs incurred in year 1 are compiled and submitted to the state in year 2 and then fully paid by the State in year 3). Prop 1A also requires that any pre-2004 mandate claims be fully repaid over time as defined by statute (current statute defines a 15-year repayment schedule and approximately \$900 million is outstanding).

9100 Tax Relief – this budget item reimburses taxpayers for a specified portion of local property taxes they pay, and compensates local governments for local property tax lost to them through the Williamson Act. The Williamson Act program promotes open space through voluntary contracts with landowners to limit the use of their land to agricultural, scenic and open-space purposes, in exchange for reduced property tax.

9200 Local Government Financing – this budget item primarily funds various grants to local law enforcement agencies.

9350 Shared Revenues – this budget item funds various revenue transfers to local governments. The majority of this funding is transportation funding for local streets and roads: gas excise tax revenue; the local share of Proposition 42; and Prop 1B bond funds. The transportation funding components are generally considered along with the Department of Transportation budget.

Detail on the Adopted 2009 Budget Act. The budget package adopted in February, was a difficult package with: \$12.5 billion in tax increases; \$15.4 billion in spending-related savings; \$5.3 billion in borrowing; and \$8.5 billion in relief from the federal stimulus. The size of the budget gap required reductions in all subject areas, including local government. However, full funding was provided for many local government programs.

Fully-funded programs or other positives for local government:

- **No Proposition 1A suspension:** Proposition 1A, passed by voters in 2004 protects the city and county share of property tax revenue but does allow the

State to borrow these revenues during a year of “severe state fiscal hardship.” The State did not exercise this authority and local government received full funding in this area. Included in the property tax protection is about \$6 billion in Vehicle License Fee (VLF) backfills from the VLF rate cut earlier in the decade.

- **Full funding for local law enforcement grants:** The budget package increased the Vehicle License Fee rate by 0.15 percent to generate approximately \$500 million annually to fully fund local law enforcement programs. These include Rural Sheriff grants, Citizens Option for Public Safety / Juvenile Justice (COPS/JJ) grants, and Booking Fee grants.
- **No Redevelopment (RDA) Agency Shifts:** Last year’s budget included a \$350 million one-time shift of redevelopment funds to education to reduce General Fund costs. The 2009 Budget Act did not include any RDA shift for General Fund relief.
- **Full Funding for Proposition 42:** Proposition 42, which directs most of the sales tax on gasoline to transportation was fully funded in the adopted budget. Forty percent, or about \$590 million, of Prop 42 funds are directed to cities and counties for local streets and roads.
- **Full Funding for Homeowner’s Property Tax Relief:** The California Constitution exempts the first \$7,000 of assessed value on a principal residence from property tax and requires the State to reimburse local governments for this revenue loss. The budget includes \$444 million to fully fund this local government payment.
- **Maintains Funding for the Williamson Act / Open Space Subventions.** The 2009 Budget Act includes about \$35 million for Williamson Act payment to local governments.

Reductions in local government funding:

- **Defers payment of old mandate claims:** The 2009 Budget Act defers payment of \$90 million in pre-2004 mandate claims to local government. This was also done in 2008-09 and is allowable under Proposition 1A. The budget fully pays current mandate claims.
- **Suspends other Property Tax Relief Programs:** The 2009 Budget Act includes the Governor’s proposals to suspend various senior citizen property tax relief grant and deferral programs. Savings of approximately \$200 million results.

(issue continues on next page)

Detail on local government payment deferrals. The budget package adopted in February also includes various payment deferrals that affect local governments and other service providers. These deferrals were necessary due to the State's cashflow problems, and do not produce any budget savings. The table below outlines the deferrals approved with the budget. Note, most deferrals are limited to one or two months and are therefore less onerous for local governments than some of the longer deferrals adopted last year or some longer deferrals considered for this year. The table indicates that \$1.5 billion is deferred for the low cash month of March, with most repaid in April. Additionally, \$4.0 billion is deferred in the low cash months of August and September, with deferrals fully repaid in October. Positive numbers on the chart denote deferred payment, and negative numbers denote payment of the deferred amount. The March/April numbers vary from what was anticipated when the budget package was adopted – most significantly the Medi-Cal Fee for Service was reduced from the \$440 million planned to \$110 million because the cash need was less. However, there is no indication that July – September deferrals could be similarly reduced.

**Payment Deferrals in the February 2009 Budget Agreement
(Dollars in Millions)**

Org Code	Program	Final Payee	Deferral Amount	2008-09 FY				2009-10 FY			
				Feb	Mar	April	May	July	Aug	Sept	Oct
4260	Payments to Counties for County Admin Medi-Cal costs	Counties	\$180		\$180	-\$180					
4260	Medi-Cal Managed Care payments	Medi-Cal Service Providers	\$260		\$260	-\$260					
4260	Medi-Cal Fee For Services payments	Institutional Providers of Medi-Cal Services	\$220		\$110	-\$110					
4300	Regional Centers - Delay Disbursements	Regional centers, community care facilities, service providers	\$400					\$200	\$200	-\$400	
4440	Delay Cash Advances to Counties	County mental health plans, EPSDT program service providers	\$92					\$92		-\$92	
5180	County Assistance Payment (multiple issues)	Recipients	\$548					\$280	\$268	-\$548	
5180	County Administration Payment (multiple issues)	Recipients	\$166					\$83	\$83	-\$166	
5180	State Supplementary Payment	SSI/SSP recipients	\$517	\$258	\$259	-\$517					
6110	Defer July Apportionment	Schools	\$2,500					\$1,000	\$1,500		-\$2,500
6870	Defer July Apportionment	CCC Districts	\$200					\$200			-\$200
8885	Commission on State Mandates: Post 2004-05 Mandates	Local Agencies	\$142						\$142		-\$142
9650	Health & Dental Benefits for Annuitants.	Health Insurance	\$194	\$40	\$97	-\$137					
Subtotal, Deferrals			\$ 5,419	\$ 298	\$ 906	-	-	\$ 1,855	\$ 2,193	-	-
Subtotal, Repayments				-	-	\$ -1,204	-	-	-	\$ -1,206	\$ -2,842
Cumulative Effect (General Fund)				\$ 298	\$ 1,204	-	-	\$ 1,855	\$ 4,048	\$ 2,842	-
9350	HUTA transfer of excise tax revenues to counties and cities for local streets and roads	Cities and Counties	\$300	\$100	\$100	\$100	-\$300				
3480	California Beverage Container Recycling Fund - Deferral of Grants and Other Set-Asides	Recycling Businesses	\$204	\$178	-\$18	\$13	-\$21	-\$5	-\$160		
Subtotal, Deferrals			\$ 504	\$ 278	\$ 100	\$ 113	-	-	-	-	-
Subtotal, Repayments				-	\$ -18	-	\$ -321	\$ -5	\$ -160	-	-
Cumulative Effect (Other Funds)				\$ 278	\$ 360	\$ 473	\$ 152	\$ 160	-	-	-
Cumulative Effect (All Funds)				\$ 576	\$ 1,564	\$ 473	\$ 152	\$ 2,015	\$ 4,048	\$ 2,842	-

Staff Comment: The LAO and the Department of Finance are prepared to walk the Subcommittee through this informational item.

Staff Recommendation: This is an informational issue – no action needed.

Action: No action taken – informational issue.

8885 Commission on State Mandates

The Commission on State Mandates (Commission) is responsible for determining whether a new statute, executive order, or regulation contains a reimbursable State mandate on local governments and determining the appropriate reimbursement to local governments from a mandate claim. This budget item appropriates the funding for the staff and operations cost of the Commission, and appropriates non-Proposition-98 mandate payments to local governments.

The January Governor's Budget proposed expenditures of \$146.6 million (\$143.6 million General Fund) and 12.0 positions. This is a \$132.2 million (\$131.0 million General Fund) increase from last year. However, the increase is primarily driven by a one-time cost savings measure in 2008-09, which discontinued the practice of paying *estimated* claims and established the process of the State only paying *final* claims. Like last year, the budget includes \$75 million in General Fund savings from deferral of payment for old (pre-2004) mandate claims – about \$900 million is outstanding, but can be repaid over time.

Issues Proposed for Discussion and Vote:

1. Deletion of long-suspended mandates (Administration trailer bill language).

The Administration has proposed a trailer bill to modify language in many areas of code to delete mandates that are typically suspended each year. Generally, the proposed language would retain the activity in statute but change the activity from mandatory to optional. Under the existing process, the annual budget act includes provisional language in the Commission on State Mandates budget item to indicate what mandates are suspended. Suspending a mandate in the annual budget makes the activities optional for that budget year and saves the state the cost of reimbursement. In some cases, the local government continues to perform the suspended mandate activity because it is a local priority. A list of the mandates the Administration wants to eliminate is on the following page.

Staff Comment: While many mandates have been suspended over multiple years, the Administration's proposal to make these changes in a budget trailer bill would make significant changes in many different policy areas without a review by the responsible policy committees. A policy committee process may be the better route for the Administration to pursue. Additionally, the Legislature may prefer to have certain mandate requirements on the books, even if they are annually suspended in the budget act. This could be seen as a statement of legislative priorities and intent, even if annual suspension allows the Legislature to achieve cost savings when needed. The nature of mandates is that many locals would perform the activity if no State mandate existed, but because the activity is required, the State is required to fully fund the mandate activity.

Detail on affected mandates. The table below lists all of the mandates for which the Administration wants to amend statute. Any questions the Subcommittee has on individual mandates should be directed at the Department of Finance.

Mandate:	Code	Sections	First Suspended
Handicapped Voter Access Information (Chapter 494, Statute of 1979)/Partially Repealed-Made Optional	Elections	12280	1990
Deaf Teletype Equipment (Chapter 1032, Statute of 1980)	Government	23025	1990
Filipino Employee Surveys (Chapter 845, Statute of 1978)	Government	50087	1990
Adult Felony Restitution (Chapter 1123, Statute of 1977)	Penal	1203	1990
Pocket Masks (Chapter 1334, Statute of 1987)	Penal	13518.1	1990
Domestic Violence Information (Chapter 1609, Statute of 1984)	Penal	13701, 13710, 13730	1990
Local Coastal Plans (Chapter 1330, Statute of 1976)	Public Resources	30001	1993
Personal Alarm Devices (Section 3401 (c) of Title 8 of the California Code of Regulations)	Regulations	3401	1990
Structural and Wildland Firefighter Safety Clothing and Equipment (Section 3401 to 3410, Inclusive, of Title 8 of the California Code of Regulations)	Regulations	3401-3410	1990
Victims' Statements-Minors (Chapter 332, Statute of 1981)	Welfare & Institutions	656.2	1990
SIDS Autopsies (Chapter 955, Statute of 1989)	Government	27491.41	2003
Very High Fire Hazard Severity Zones (Chapter 1188, Statute of 1992)	Government	51178.5, 51179	2003
SIDS Training for Firefighters (Chapter 1111, Statute of 1989)	Health & Safety	1797.193	2003
SIDS Contacts by Local Health Officers (Chapter 268, Statute of 1991)	Health & Safety	123740	2003
Sex Crime Confidentiality (Chapter 502, Statute of 1992; Chapter 36, Statute of 1994, (First Extraordinary Session))	Penal	293	2003
Elder Abuse, Law Enforcement Training (Chapter 444, Statute of 1997)	Penal	13515	2003
Law Enforcement Sexual Harassment Training (Chapter 126, Statute of 1993)	Penal	13519.7	2003
Sex Offenders: Disclosure by Law Enforcement Officers (Chapters 908 and 909, Statute of 1996)	Penal	290.015, 290.016, 290.019	2003
Inmate AIDS Testing (Chapter 1579, Statute of 1988)	Penal Welfare & Institutions	7510, 7512, 7515, 7516, 7518, 7520-7523, 7551, 7554	2003
Extended Commitment, Youth Authority (Chapter 267, Statute of 1998)		1800, 1801, 1801.5	2003
Prisoner Parental Rights (Chapter 820, Statute of 1991)	Penal	2625	2005
Missing Persons Report (Chapter 1456, Statute of 1988; Chapter 59, Statute of 1993)	Penal	14205-14207, 14210, 14213	2005
Grand Jury Proceedings (Chapter 1170, Statute of 1996, et al.)	Penal	914, 933, 933.05, 938.4	2005
Airport Land Use Commission Plan (Chapter 644, Statute of 1994)	Public Utilities	21670, 21670.1	2005

Staff Recommendation: Reject the Administration's proposal (reject budget trailer bill language and make conforming changes in the budget bill). Rejection of the proposal would be without prejudice to the Administration pursuing changes in individual mandate laws through policy bills.

Action: Rejected proposal on a 3-0 vote. Rejection of the proposal includes rejection of proposed trailer bill language and amendments to the budget bill to restore the mandate suspensions using the longstanding methodology.